

**THE EFFECT OF STORE IMAGE, FAMILIARITY WITH  
PLB, PRICE CONSCIOUSNESS, PERCEIVED QUALITY AND  
RISK, ON WILLINGNESS TO BUY SUPERINDO PRODUCTS  
PRIVATE LABEL BRANDS (PLBS)  
(Applied study on Superindo Semarang)**



**Submitted as a Partial Fulfillment of the Requirement for Obtaining a Bachelor  
Degree of Management at the Faculty of Economics and Business**

**by:**

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**MANAGEMENT DUAL DEGREE PROGRAM  
ECONOMICS AND BUSINESS FACULTY  
UNIVERSITAS MUHAMMADIYA SURAKARTA  
2021**

# **APPROVAL**

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### **PUBLICATION ARTICLE**

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Research has been accepted and approved

Thesis Supervisor,

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## ACCEPTANCE

# THE EFFECT OF STORE IMAGE, FAMILIARITY WITH PLB, PRICE CONSCIOUSNESS, PERCEIVED QUALITY AND RISK, ON WILLINGNESS TO BUY SUPERINDO PRODUCTS PRIVATE LABEL BRANDS (PLBS) (Applied study on Superindo Semarang)

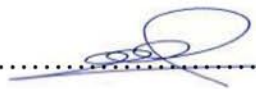


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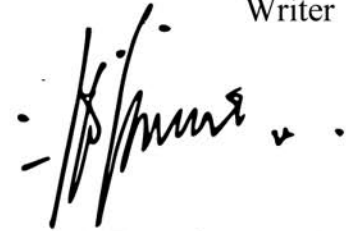
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CONSCIOUSNESS, PERCEIVED QUALITY AND RISK, ON  
WILLINGNESS TO BUY SUPERINDO PRODUCTS PRIVATE LABEL  
BRANDS (PLBS)  
(Applied study on Superindo Semarang)**

**Abstrak**

Private label brand adalah produk yang dijual di toko/pengecer dengan nama merek yang dibuat secara eksplisit oleh toko/pengecer, dan ini merupakan strategi pengecer untuk mengoptimalkan keuntungan yang maksimal. Istilah private label belum begitu familiar bagi masyarakat Indonesia, khususnya oleh konsumen di Semarang, karena cenderung dikenal sebagai store brand. Tujuan dari penelitian ini adalah untuk menganalisis tingkat kemauan atau niat konsumen dalam membeli produk private label brand Superindo oleh konsumen di Semarang dengan memediasi sikap terhadap private label brand. Penelitian ini menggunakan penelitian kuantitatif untuk mengetahui hubungan antara kesan toko akrab dengan PLB, kualitas dan risiko yang dirasakan, dan kesadaran harga melalui sikap terhadap pembelian merek private label. Penelitian ini menggunakan kuesioner 31 item dan metode purposive sampling. Data dikumpulkan dari 150 responden yang tinggal di Semarang. Data dianalisis menggunakan algoritma Smart pls, blindfold, dan tes bootstrap. Hasil penelitian menunjukkan bahwa persepsi risiko dan pertimbangan harga tidak berpengaruh signifikan terhadap sikap terhadap niat atau kemauan membeli produk private label brand. Sementara itu, kesan toko dan keakraban dengan PLB berpengaruh signifikan terhadap kualitas yang dirasakan dan sikap mediasi terhadap kesediaan atau niat untuk membeli produk PLB.

**Keyword:** Citra Toko, Familiar dengan produk PLB, Kualitas yang dirasakan, Resiko yang dirasakan, Kesadaran Harga, Sikap terhadap PLB

**Abstract**

Private label brands are products sold in a store/retailer with a brand name explicitly created by the store/retailer, and This is a retailer's strategy to optimize profit maximization. The term of private label is not so familiar to Indonesian people, especially by consumers in Semarang, because it tends to be known as the store brand. The purpose of this study is to analyze the level of willingness or intention of consumers in buying Superindo private label brand products by consumers in Semarang by mediating attitudes towards private label brands. This study uses quantitative research to determine the relationship between the impression of stores familiar with PLB, the quality and perceived risks, and price consciousness through attitudes towards buying a private label brand. This study using a 31-item questionnaire and purposive sampling method. The data collected from 150 respondents living in Semarang. The data was analyzed using the Smart pls algorithm, blindfold, and bootstrap tests. The results showed that perceived risks

and price considerations had no significant effect on attitudes towards the intention or willingness to buy private label brand products. Meanwhile, the store's impression and familiarity with PLB significantly affect the quality felt and mediated attitude towards the willingness or intention to buy PLB products.

**Keyword:** Store Image, Familiarity with PLB, Perceived Quality, Perceived Risk, Price Consciousness, Attitude toward PLB.

## 1. INTRODUCTION

Nowadays, many retail business are creating intense competition. Therefore, all companies must look ahead and develop a long-term strategy to deal with changing conditions in their conditions. Each company must determine what is best done judging by its position in the industry, its goals, opportunities, resources, and must adjust to very rapid environmental changes (Kotler, 2000). Chief Executive of the Indonesian Retail Entrepreneurs Association (Aprindo) Roy Nicholas Mandey said private label products are one of the modern retailers' efforts to retain loyal consumers who are starting to switch to e-commerce platforms (Haydan, 2019).

Private label products are created to provide an alternative for consumers to get more competitive goods prices. Private label products can be used as substitute products for national brands that commonly fetch a higher price. Although its presence attracted much debate, private labels thrive. For instance, several modern retailers like Superindo and many other minimarkets compete to launch products with their private label. Besides, Private label products are very beneficial to consumers because they can get goods at low prices up to 30% compared to products labeled nationally. many products such as which sell by recognized brand in a market, but offer it in a lower price and good packaging. Those kinds of products usually offer in Fast Moving Consumer Goods is a product that is needed by most of the people to fulfill their daily needs . Private labels are generally used to designate products provided by dealers that allow individual retailers to sell the products in their stores using the brand of the store in question. Based on the introduction benefit of the research is:

### 1.1 Theoretical Benefits

It is expected that the results of this study will improve current and future capabilities and knowledge in the field of marketing management. Especially a retail business that uses private label brand strategy for profit maximization and retail competition.

### 1.2 Practical Benefits

This study's results are expected to improve the author's understanding of management practice, especially marketing management and advertising experience in analyzing and solving marketing case problems and increasing the knowledge of retail branding and profit maximization. On the other hand, it can be used as a tool for considering the factor that affects customers in buying private label brand product.

## 2. METHOD

This study is causal research, using quantitative methods as data processing methods. The population in this research were people who have never purchased any Superindo Private Label Brand products at Superindo, Semarang, Indonesia. Slovin formula was used to determine the number of samples, and 150 samples were used in this study. The sampling technique used in this study is a non-probability sampling category, and purpose sampling is used to select respondents. This study uses questionnaires to collect data, uses closed-ended questions, and uses a 5-point Likert scale.

## 3. RESULTS AND DISCUSSION

### 3.1 Convergent Validity

Table 1. Outer Loading (measurement model) Indicator

Variable	Indicator	Outer Loading	Conclusion
Attitude Toward PLB	ATP 1	0.879	Valid
	ATP 2	0.875	Valid

	ATP 3	0.713	Valid
	ATP 4	0.891	Valid
Familiarity with PLB	FWP 1	0.679	Valid
	FWP 2	0.793	Valid
	FWP 3	0.650	Valid
	FWP 4	0.839	Valid
Price Consciousness	PC 1	0.880	Valid
	PC 2	0.903	Valid
	PC 3	0.755	Valid
Perceived Quality	PQ 1	0.892	Valid
	PQ 2	0.911	Valid
	PQ 3	0.928	Valid
Perceived Risk	PR 1	0.836	Valid
	PR 2	0.905	Valid
	PR 3	0.795	Valid
	PR 4	0.898	Valid
Store Image	SI 1	0.828	Valid
	SI 2	0.818	Valid
	SI 3	0.828	Valid
	SI4	0.819	Valid
	SI 5	0.815	Valid
Willingness to buy PLB	WTB 1	0.903	Valid
	WTB 2	0.871	Valid
	WTB 3	0.870	Valid

Source:

Processed data with Smart PLS 3, 2021

Indicator is declared valid if correlation value  $> 0.7$  however the value of 0.6-0.7 is still acceptable as seen from outer loadings.

### 3.2 Discriminant Validity

Table 2. Average Variance Extracted Value (AVE)

Construct Reliability and Validity	AVE	Conclusion
Attitude toward PLB	0.710	Valid
Familiarity with PLB	0.554	Valid
Perceived Quality	0.829	Valid
Perceived Risk	0.739	Valid
Price Consciousness	0.720	Valid



Store Image	0.675	Valid
Willingness to buy PLB	0.777	Valid

Source: Processed data with Smart PLS 3, 2021

The Cross Loading value, using Average Variance Extracted (AVE) for each construct in evaluating Discriminant validity can be seen. According to Ghazali and Latan (2014), AVE values obtained from all constructs with the required value have a value greater than 0.50.

### 3.3 Composite Reliability

Table 3. Composite Reliability Value

<b>Construct Reliability and Validity</b>	<b>Composite Reliability</b>	<b>Conclusion</b>
Attitude toward PLB	0.907	Valid
Familiarity with PLB	0.831	Valid
Perceived Quality	0.935	Valid
Perceived Risk	0.919	Valid
Price Consciousness	0.885	Valid
Store Image	0.912	Valid
Willingness to buy PLB	0.913	Valid

Source: Processed data with Smart PLS 3, 2021

Variables can be said to meet Composite Reliability if the Composite Reliability value of each variable is  $>0.7$ .

### 3.4 Cronbach's Alpha

Table 4. Cronbach's Alpha Value

<b>Construct Reliability and Validity</b>	<b>Cronbach's Alpha</b>	<b>Conclusion</b>
Attitude toward PLB	0.863	Valid
Familiarity with PLB	0.739	Valid
Perceived Quality	0.897	Valid
Perceived Risk	0.888	Valid
Price Consciousness	0.804	Valid
Store Image	0.880	Valid
Willingness to buy PLB	0.857	Valid

Source: Processed data with Smart PLS 3, 2021

A variable can be said to be reliable if it has a Cronbach Alpha value > 0.7.

#### 3.4.1 Goodness of fit Test

Table 5. Coefficient of Determination (R<sup>2</sup>)

Variable	R Square
Willingness to buy PLB	0.427
Attitude toward PLB	0.428

Source: Processed data with Smart PLS 3, 2021

According to Chin, the R<sup>2</sup> result of 0.67 and above for latent dependent variables in structural models indicates the influence of independent variables on dependent variables is relatively good. Whereas if the result is 0.33-0.67 then it is classified as moderate, and if the result is 0.19-0.33 then it falls into the weak category (Yuteva, 2010).

#### 3.4.2 Q-square

Q-Square value has the same meaning as coefficient determination (R-Square) in regression analysis, where the higher Q-Square, the better or fitter the model can be with the data.

$$\begin{aligned}\text{Q-Square} &= 1 - [(1 - R^2_1) \times (1 - R^2_2)] \dots\dots\dots 1 \\ &= 1 - [(1 - 0,427) \times (1 - 0,428)] \\ &= 1 - (0,573 \times 0,572) \\ &= 1 - 0,327 = 0,673\end{aligned}$$

### 3.5 T-Statistics and P-Values

Table 6. Original Sample and Standard Deviation

Effect	Original Sample (O)	Sample Mean (M)	Standard Deviation (STDEV)	T Statistics ( O/STDEV )	P Values
SI -> PQ	0.275	0.275	0.075	3.385	0.000
SI-> PR	-0.123	-0.120	0.096	1.283	<b>0.200</b>
FWP -> PQ	0.382	0.394	0.066	5.757	0.000
FWP -> PR	0.133	0.136	0.115	1.161	<b>0.246</b>
PC-> ATP	0.114	0.114	0.076	1.492	<b>0.136</b>
PC-> WTB	0.045	0.044	0.078	0.573	<b>0.567</b>
PQ -> ATP	0.579	0.575	0.085	6.816	0.000
PQ-> WTB	0.263	0.257	0.097	2.704	<b>0.007</b>
PR-> ATP	0.103	0.107	0.078	1.321	<b>0.187</b>
PR-> WTB	0.141	0.145	0.087	1.622	<b>0.105</b>
ATP -> WTB	0.603	0.610	0.070	8.626	0.000

Source: Processed data with Smart PLS 3, 2021

. If the t-statistic value  $> 1.96$  (table of significance 5%) then the effect is significant. Furthermore, through the p value obtained if the value of p value  $< 0.05$  then  $H_0$  is rejected and  $H_a$  is accepted and vice versa.

### 4. CONCLUSION

Based on the research, we can conclude that Perceived Risk and Price Consciousness have no significant impact on Attitude toward private label brand and Willingness to buy PLB. Perceived Quality has positive significant impact on Attitude toward private label brand and Willingness to buy PLB. It is mediated by Attitude toward private label brand.

#### **4.1 Research Limitation**

The majority of the respondents are young 20 to 25 years old. The percentage reaches 66.7% and lives in the Semarang area. If the respondents that 30 to 40 years old can dominate the whole percentage of total respondent, the results may have different behavior and expectations on willingness to buy private label brand products and differences due to their occupation and salary or income.

#### **4.2 Implication of the study**

The Perceived Risk has no significant impact on mediating Store Image and Familiarity with PLBs for Attitude towards private label brands. Meanwhile Perceived Quality has positive significant impact on mediating Store Image and Familiarity with PLBs for Attitude towards private label brands. Private label Brands retailer should pay attention to these four indicators to reach the goals of the company. They have to understand about the condition in society so that they know what do customers preference to boost Attitude towards private label brands.

#### **4.3 Suggestion**

For further research should consider increasing the number of samples and adopting appropriate sampling methods to make the results more representative and reliable. Include more variables in the research, such as promotion, social media campaign, and many more to show the effect of Attitude towards private label brands and willingness to buy PLBs. Beside that Spread the questionnaire to wider area. Not only for the college students to obtain extensive exposure. Meanwhile for the private label brands retailer, they should do more campaign about their PLB product to make consumers be more aware of the private label brands product that they have.

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